

RETAILER AGREEMENT

The applicant acknowledges that if their RETAILER NUMBER APPLICATION or RETAILER FILE modification request is accepted by Loto-Québec, and as long as their assigned retailer number remains valid, the following conditions shall govern the relationship between the applicant (hereafter referred to as the “Retailer”) and Loto-Québec, without further procedures.

1. DEFINITIONS

- 1.1. “**Code of conduct**”: a document, issued by Loto-Québec, that the Retailer agrees to respect and that notably prescribes the procedures and directives relating to the integrity and transparency of Lottery Product sales operations, customer respect and, in cases of violation, applicable corrective measures.
- 1.2. “**Retailer**”: any person (individual, corporation, company or organization) to whom Loto-Québec has assigned a retailer number.
- 1.3. “**Gaming Equipment**” or “**Equipment**”: computer game terminal belonging to Loto-Québec used to issue coupons or tickets, as well as information and validation equipment (terminal consumer displays), ticket checkers and any other equipment Loto-Québec may provide to the Retailer for their operations.
- 1.4. “**Lottery Products**” or “**Products**”: lottery products issued in accordance with Lottery Scheme operated by Loto-Québec, which are governed by gaming Regulations and play instructions in effect.
- 1.5. “**Lottery Scheme**”: includes a game of chance or a game of mixed chance and skill.
- 1.6. “**Regulations**”: regulations (by-law’s) adopted in accordance with the Act respecting the Société des loteries du Québec.

2. RETAILER OBLIGATIONS

The Retailer agrees to:

- 2.1. Follow or have one or more of his employees follow the basic training developed and provided by Loto-Québec that is available on the game terminal or the Internet.
- 2.2. Register all employees who sell Lottery Products and have them follow annual mandatory training developed and provided by Loto-Québec and made available on the game terminal or the Internet.
- 2.3. Provide, at their expense, electrical installations that meet Loto-Québec’s specifications for all Gaming Equipment and pay the costs of installing said Equipment. In addition, the Retailer agrees to protect, operate and maintain the Equipment according to Loto-Québec’s instructions and facilitate the work of technicians assigned to its installation or maintenance.
- 2.4. Allow the Gaming Equipment to be installed and place Lottery Products in locations that have been designated and approved by Loto-Québec, and to not relocate them without Loto-Québec’s prior authorization. All costs for relocating the Equipment, as appropriate, will be assumed by the Retailer.
- 2.5. Sell Lottery Products and operate Gaming Equipment solely in the establishment for which Loto-Québec issued the retailer number.
- 2.6. Sell Lottery Products according to gaming Regulations and play instructions in effect.
- 2.7. Refrain from selling Lottery Products at a price other than that stated on the ticket.
- 2.8. Pay to Loto-Québec the amount of wagers according to established directives, notably by authorizing Loto-Québec to the use of a direct debit system.
- 2.9. Offer all Lottery Products to customers, obtain such Products exclusively from Loto-Québec, and pay the due amounts in accordance with Loto-Québec’s directives.
- 2.10. Pay winning ticket holders the money prizes won in accordance with the standards, directives and conditions established by Loto-Québec, failing which Loto-Québec may refuse to reimburse any claim related to tickets paid in violation of such standards, directives or conditions.

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- 2.11. Refrain from operating any gaming or lottery scheme, or selling any lottery ticket or product related to games of money and chance other than those conducted, managed, operated or sold by Loto-Québec, unless prior written approval has been obtained from Loto-Québec.
- 2.12. Make every effort to promote and sell Loto-Québec's Products. In this regard, the Retailer shall notably use ticket holders supplied by Loto-Québec and set them up in a prime location within their retail store. The Retailer shall display all necessary or useful advertising for the promotion of Loto-Québec Lottery Scheme in compliance with Loto-Québec policies. In addition, the Retailer agrees to make game rules available to the public and provide information regarding the policies and procedures in effect, changes to the systems and to support customers regarding instructions on how to participate.
- 2.13. Ensure that average weekly Lottery Product sales reach a minimum threshold of \$1,000 if the Retailer's business is located in a census metropolitan area as defined by Statistics Canada or of \$800 if it is located outside a census metropolitan area. The Retailer commits to selling that minimum amount. The Retailer acknowledges that should they fail to reach and maintain this minimum threshold, the assigned Retailer number (and, consequently, the Gaming Equipment) may be withdrawn.
- 2.14. Notify Loto-Québec, without delay, of any change concerning the information related to their Retailer file.
- 2.15. Provide identification himself upon request by a Loto-Québec agent and on the questionnaire to be filled out when claiming a prize or part of a prize worth more than \$600. The Retailer must ensure that their employees also comply with this obligation.
- 2.16. Collaborate with all checks conducted by Loto-Québec's investigators and provide all relevant information required.
- 2.17. Refrain from selling any Lottery Product or paying out any prize to minors.
- 2.18. Comply with Loto-Québec's procedures and directives, particularly conditions applicable to the sale, withdrawal and validation of Lottery Products, as well as prize payout.
- 2.19. Comply with Regulations, the Code of Conduct and the provisions of the Act respecting the Société des loteries du Québec prohibiting the sale of Lottery Products to minors.

3. OWNERSHIP AND USE OF GAMING EQUIPMENT

- 3.1. All Gaming Equipment provided by Loto-Québec is and shall remain the exclusive property of Loto-Québec.
- 3.2. The Retailer may not, at any time or in any way, sell or assign the Gaming Equipment provided by Loto-Québec.
- 3.3. The Retailer shall be responsible for any damage to communication links and Equipment provided by Loto-Québec caused by their fault, negligence or lack of skill, or that of their employees or clients, except for purely technical damages. The Retailer must reimburse Loto-Québec, as appropriate, for the cost of repairs to Gaming Equipment.

4. RELATIONS BETWEEN THE PARTIES

- 4.1. The Retailer acknowledges that Loto-Québec may grant or withdraw a Retailer number at its entire discretion, and may do so at any time and without incurring any liability.
- 4.2. It is expressly agreed that the Retailer is not Loto-Québec's agent and, as such, cannot bind Loto-Québec or act on Loto-Québec's behalf in any capacity whatsoever.
- 4.3. The Retailer consents to any verification procedures Loto-Québec may feel appropriate to undertake at any time during this agreement regarding the Retailer and, if applicable, their business. Without limiting the foregoing, Loto-Québec may, in particular, conduct checks to collect or use information on the personal, financial and criminal background of the Retailer and/or of their representatives.

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- 4.4. The Retailer may not undertake any proceedings of any kind against Loto-Québec for damages or losses they may suffer, including loss of profits due to a defect, breakdown or removal of Gaming Equipment, or for any other reason whatsoever.
- 4.5. Loto-Québec may modify at any time the directives and procedures relating to the application of this agreement by written notice. The Retailer agrees to comply with such modifications.

5. DURATION AND RENEWAL

This agreement shall take effect on the date it is signed by the Retailer and shall end according to one of the conditions described in section 6.

6. TERMINATION OF AGREEMENT

- 6.1. Loto-Québec or the Retailer may terminate this agreement at any time by giving written notice to the other party at least two (2) weeks before the date at which termination is to take effect.
- 6.2. Loto-Québec may terminate this agreement at any time by giving written notice to the Retailer if:
- a) the Retailer does not respect one or more obligations described herein;
 - b) Loto-Québec is not satisfied with the Retailer's creditworthiness or integrity.
- 6.3. Subject to a law stating the contrary, this agreement shall terminate automatically and without the need to give any notice, should the Retailer number be withdrawn or should he become insolvent or commit any other act of bankruptcy.

7. END OF AGREEMENT OBLIGATIONS

Once this agreement has terminated, the Retailer shall return to Loto-Québec all Gaming Equipment or other equipment marked "property of Loto-Québec" as well as any material not specifically marked but identified as such by Loto-Québec representatives. All Gaming Equipment, and other equipment and materials shall be returned to Loto-Québec in good condition, except for normal wear.

8. TRANSFER OR SALE BY THE RETAILER

In a case where the Retailer sells or otherwise transfers their interest in the designated business, they shall notify Loto-Québec no less than 30 days before the date of the sale or transfer. Moreover, the Retailer may not give up or otherwise transfer their rights and obligations under the terms of this agreement at any time without Loto-Québec's prior written authorization.

9. SIGNATURE (STATEMENT AND COMMITMENT)

A Retailer who is acting under their own name shall personally sign this agreement. If the Retailer is a corporation, a company or an organization, the signatory affirms they are duly authorized to sign this agreement on behalf of the Retailer. **In addition, the signatory agrees to personally comply, and ensure that others comply, with this agreement, the Code of Conduct, the provisions of the Act respecting the Société des loteries du Québec prohibiting the sale of Lottery Products to minors and all directives Loto-Québec may issue.**

Retailer's
initials